

City Manager Update January 2019

1. Economic Development

- Bridge Plaza (office/residential building at intersection of Riverfront Drive and Plum Street) - Mike Brennan continues to finalize plans and financing for the development of Bridge Plaza. It is anticipated that Mr. Brennan will appear before the EDA regarding a request for financial incentives sometime in late winter 2019.
- Retail/Apartments (507 North Riverfront Drive) - Redevelopment of former drycleaner site. The project includes assistance with the redevelopment as provided by a DEED redevelopment grant. It is possible additional assistance may be requested of the EDA as project costs evolve.
- Cherry Street Parking Ramp/Hotel – Gordon Awsumb continues planning the development of a Hotel project above the Cherry Street parking facility. As the Council recalls, Mr. Awsumb has air rights above the Cherry Street ramp as he is the owner of the original parcel.
- Ecumen (Mankato Lutheran Home) – 56 unit expansion for assisted living with 24 units for memory care expected to come to the Council in March as they are finalizing development plans on the vacant parcel to the east of the existing building. The easterly expansion parcel was original acquired by the city approximately 15 years ago.

2. Transportation Alternatives Solicitation Summary

There were three Letters of Intent (LOIs) submitted within the MAPO boundary for the 2018/2019 Transportation Alternatives solicitation. Projects submitted under the current solicitation are expected to be constructed in 2023 (although there is some flexibility depending on individual project circumstances).

1. Blue Earth County submitted for a project titled **CSAH 16 Pedestrian and Bicycle Trail**. The project is intended to construct a one-mile long, 10-foot wide grade-separated pedestrian/bicycle trail along CSAH 16 (Stoltzman Road) from CSAH 60 (Stadium Road) to Mankato West High School (Pleasant Street) within the City of Mankato. The total eligible cost budget is estimated at \$704,000. Blue Earth County calculated that the TA program would contribute \$563,200 towards the total (80% of eligible project costs).

2. Mankato Township submitted for a project titled **Historic Kern Bridge Removal for Relocation to North MN River Trail**. The project is intended to save the historic Kern Bridge, which currently sits atop failing substructure and will soon fall into the underlying Blue Earth River. The project intends to remove the bridge for future re-use servicing pedestrian/bicycle transportation. There are ongoing intergovernmental discussions regarding a final destination for the bridge and potential cost-sharing for relocation/installation/maintenance expenses. The total eligible cost budget for bridge disassembly, removal, transportation, and storage is estimated at \$300,000. Mankato Township calculated that the TA program would contribute \$240,000 towards the total (80% of eligible project costs).

3. The City of Mankato submitted for a project titled **North Minnesota River Trail Bridge**. The project is intended to remove and replace a bridge along the Minnesota River Trail, which currently exhibits deficient piles and abatements. The replacement bridge is envisioned as a

compliant, ADA-accessible structure founded with new piers and abutments. The total eligible cost budget is estimated at \$650,000. The city calculated that the TA program would contribute \$520,000 towards the total (80% of eligible project costs).

Last year, the City of Mankato's **Timberwolf Drive Schoolchild Pedestrian Crosswalk** project was selected for TA funding. The project is intended meet the need for increased schoolchild and pedestrian safety through installation of a High-Intensity Activated Crosswalk (HAWK) beacon across Timberwolf Drive servicing Rosa Parks Elementary School, as well as nearby single-and multi-family housing. The total eligible cost budget is estimated at \$191,805. The city was awarded \$153,444 by the TA program (80% of eligible project costs). This project is scheduled for construction in 2022.

Regarding the **Surface Transportation Program (STP)**, the City of Mankato has proposed an application for FY 2023 funding for local shares of intersection improvements on TH 22. The Minnesota Department of Transportation is proposing to perform improvements on TH 22 from TH 83 to Bassett Drive, and from Premier Drive to 227th Street (CSAH 26) in the City of Mankato. Under MnDOT's cost participation plan, work done on intersections with local legs will have a local share. At this time the exact scope of the work is unknown, but following intersections are anticipated to be affected per the recommendations of the TH 22 Corridor study: 1) August Drive – Roundabout, 2) Bassett Drive – Roundabout, and 3) Hoffman Road – Roundabout.

Successful STP funding for these intersection improvements on the Trunk Highway system will offset the need for local road improvement funds and allow the use of those funds to meet other needs in the community.

3. Fire Service Changes

The Public Safety service delivery model began in 1986 with a combination of full-time and volunteer firefighters. In 2018, staff included 18 full-time positions and approximately 40 volunteer positions.

Volunteer positions included;

- Non-resident volunteers who are community members who staff three overnight shifts per month
- Resident volunteers who live in the dorms at fire station #3 or in the townhomes at fire station #2 and staff ten overnight shifts per month
- Reserve volunteers who do not staff the station, but respond to pages

Of the eighteen full-time positions, twelve staffed a 24-hour shift that is commonly called a 56-hour schedule, three were administration, and three firefighters worked day shift to support maintenance and inspection responsibilities. The union contract allows for limited scheduling alternatives for 24-hour service, however, it does allow for a 42-hour schedule.

To provide an enhanced level of service by having two 3-person crews available at all times and to focus staff on fire prevention, suppression and risk management, beginning on January 13, 2019 we are making the following service delivery changes:

- The twelve Lieutenants and firefighters assigned to fire suppression working a 24-hour shift will begin working a rotating shift of two 10-hour days followed by two 14-hour nights

followed by four days off. They will be divided into four crews, or shifts to accommodate the schedule change and allow for 24/7 coverage.

- A Public Safety Marshal position will be created to oversee commercial property and rental property inspections in addition to developing a Threat and Hazards Identification and Risk Assessment (THIRA) along with the Associate Director of Public Safety.
- Part-time firefighter positions are being recruited to staff open shifts.
- Public Safety Commanders are being assigned a different shift allowing for enhanced administrative coverage including Saturday shifts, and the Commanders and the Associate Director are taking a more direct role in covering staff shortages on the engines.

A policy has been implemented to allow paid-on-call members who work full-time for the city to be paged immediately for fire suppression calls when they are working their normal full-time city positions and they will also be called upon to fill staff shortages during the day as well.

4. North Mankato Customer Community Wastewater MOU

Councilmember Mark Frost requested an update be provided to the members of the North Mankato /Mankato Intergovernmental Committee on background and status of the Memorandum of Understanding (MOU) to Wastewater Interconnection Agreement. The MOU was developed for the purpose of handling debt, capital replacement and start up financing for the major improvements planned for wastewater plant over the next twenty years.

At the May 2018 Intergovernmental Councilmember Freyberg suggested an amendment that would escalate by 2.75% annually the debt service portion of the waste water charge to North Mankato. This suggestion was taken back to all of the member customer communities and subsequently approved. To date, the five other customer communities have executed the MOU with the exception of North Mankato.

Below is an explanation of the implications of North Mankato not executing the MOU and in turn following the provisions outlined in the customer community master agreement. I must emphasize that the MOU only addresses the debt service charge and replacement cost elements of the customer community's bill for waste water treatment services. In addition, customer communities pay for variable treatment costs of operation and maintenance. In North Mankato's case that portion of the bill would be about \$500,000 to \$600,000 annually. The bottom line is that by executing the MOU the North Mankato bill will be reduced over the next five years versus following the interconnection agreement. We will be preparing the final customer community bills for 2018 in February.

Ramifications of not signing the MOU (North Mankato):

- Springsted rate study provided a timeline of future bonding based on B&V Facilities plan and revenue capacity.
- Springsted provided a recommendation of \$600,000 annually that should be used for repair/replacement of capital improvements.
- During an Intergovernmental Committee meeting, North Mankato Councilmember Fryberg suggested that an attempt should be made to smooth out treatment charges to Customer Communities caused by future bonding.
- Mankato developed a pro forma that would smooth out increases in treatment charges based on using the 2018 debt service charge as a base and increasing the charge by 2.75% annually, building a reserve, in part due to reduced actual debt service in 2020 and 2021

- This reserve would be used to cover initial capital improvement cost in cash of approximately \$1,600,000 in 2020 and \$1,250,000 in 2021.
- Remainder of the reserves would be used to pay incremental increases in debt service through 2032.
- Five of the six Customer Communities have executed a MOU that:
 - Sets the replacement charge basis at \$600,000 annually instead of 100% of depreciation as stated in the Intergovernmental Agreements.
 - Sets the debt service charge based on the 2018 debt service as the base and increases the debt service charge by 2.75% annually.
- North Mankato has not executed the MOU. They would be charged for 2018 and going forward based on the current Interconnection Agreement – Replacement charge based on 100% of depreciation, debt service charge based on actual debt service.
- Based on 2017 flows, North Mankato would have a replacement charge of \$189,384, an increase of \$95,475 over a charge based on \$600,000.
- Based on 2017 flows and estimates made in July, 2018, for illustrative purposes only.

North Mankato

	With MOU			Without MOU		
	Debt Service	Replacement	Total	Debt Service	Replacement	Total
2018	\$322,664	\$93,910	\$416,574	\$322,664	\$189,384	\$512,048
2019	\$331,537	\$93,910	\$425,447	\$322,698	\$189,384	\$512,082
2020	\$340,654	\$93,910	\$434,564	\$56,055	\$189,384	\$245,439
2021	\$350,022	\$93,910	\$443,932	\$122,029	\$189,384	\$311,433
2022	\$311,413	\$93,910	\$453,558	\$338,416	\$189,384	\$527,800
2023	\$369,538	\$93,910	\$463,448	\$354,513	\$189,384	\$543,897

In the event the terms of the MOU Wastewater Agreement are amended for North Mankato, the Mankato City Council would need to authorize the changes and make corresponding amendments to the agreement with other customer communities in order to ensure equity in rates.

5. **Local Sales Tax Project Planning**

In 2018, Franklin Rogers Park renovation consumed the vast majority of sales tax spending available (after retirement of debt on the Civic Center expansion). This year, capital improvement planning, including the development of final designs and plans are underway for five significant projects as follows:

- Tourtellotte ADA improvements, bathhouse renovation, pool system restoration, and updated water features;
- Thomas Fields realignment for tournaments and youth fastpitch softball;
- Rosa Parks Youth Baseball Complex improvements, including parking, access, practice field, fan amenities, and neighborhood park;
- Verizon Center ice arena and back of house enhancements, including youth locker rooms, access, and concession/commissary upgrades; and
- All Seasons Arena (ASA) ice sheet number two (North Rink) ice system upgrades and parking access improvements.

Each of these projects will involve community engagement with user groups, and operating entities. YMCA and ASA staff, school district athletic staff, along with MAYBA and MAGFA, will participate in the planning and design process that will kick-off in late winter 2019. It is not anticipated that actual improvements occur in 2019; however, final design costs will be presented to the city and ASA Board (in the case of All Seasons Arena) for final scheduling of financing and capital improvements.

6. Mankato Regional Airport Update

MSU kicked off a very busy fall semester with over 320 students enrolled in the Aviation Department. Of these, approximately 250 are actively flight training. In August, 14 airlines were in town to recruit new students, including Endeavor which brought in a CRJ-200 for students to view. Next year demand is very strong with a projected 120 freshmen for Fall 2019 aviation program enrollment.

- Sun Country has announced a Pilot Partnership with Minnesota State University Aviation. This partnership is unique in that it allows MSU Aviation graduates to transition directly into the 737 aircraft bypassing the regional airlines.
<https://www.bizjournals.com/twincities/news/2018/10/18/sun-country-airlines-partners-with-minnesota-state.html>
- Minnesota State University has also kicked off the Delta Airlines “Propel” program as one of eight universities nationally to be participating. The first group of aviation students have tested and interviewed with program offers made to the accepted students. Students that are selected for the Delta program will have a clear path to pilot employment at the airline, along with a job offer when qualified.
http://www.mankatofreepress.com/news/local_news/delta-gets-aggressive-in-recruiting-msu-aviation-students/article_cf7e6126-aca7-11e8-9395-23939790bd99.html
<http://www.startribune.com/delta-begins-push-to-attract-more-people-as-pilots/488432891/>
- In November we were able to install the GARD traffic counting system. MNDOT has been great, loaning the system to us, including the new ADS-B integration (the system uses radio transmissions, ADS-B and geo-fencing to count aircraft operations). We’re excited to collect data over the next few months to help us validate our traffic count, but we’ve already seen over 400 operations per day on good weather days in November. The system is very easy to use and we’d recommend it to any other airports in the District looking to validate their traffic counts.
- North Star Aviation is taking delivery of four new Piper aircraft this week bringing their total to 20 aircraft dedicated to flight training. They have firm orders for six additional aircraft to be delivered from Piper in 2019.
- Our biggest concern continues to be the volume of traffic in the pattern at Mankato. The flight school has taken steps to help congestion by sending aircraft to Waseca, New Ulm and Owatonna during each training period. We look forward to exploring more ways to help mitigate the safety concerns of so many aircraft using the pattern in 2019.

7. 2018 Capital Improvement Roundup

Adams Street

All major construction work was completed in September. There are a few small items that need to be addressed to improve operations based on initial feedback. Some truck drivers are having difficulty navigating the roundabout at Haefner Drive and Adams Street. Additional concrete aprons will be installed where the driver are having difficulty to prevent any long term operational issues. Illegal left turns have been observed at the east end of Adams Street. Public works and Blue Earth county staff are working on a solution. Ultimately traffic enforcement will be needed as it cannot be constructed to prevent illegal left turns and still facilitate proper truck movements.

Record Street

All construction work is complete on Record Street. A few areas will get the final sod work performed in the spring of 2019 due to the unseasonably early cold weather that was experienced in October and November.

North Fifth Street

All construction work is complete on North Fifth Street. Minor retaining wall repair and sidewalk installation were completed with the unseasonably warm weather in early January.

University Park Pond

The University Park pond project is nearing completion. Excavation is 90% complete with approximately one to two days of excavation remaining. This work has been delayed by the unseasonably warm weather as it leads to tracking on the streets and is difficult to keep the roadway clean. The area is temporally stabilized for the winter with the final seeding of the area taking place in the spring of 2019.

Prairie Winds West

This is a development project that is being constructed on the west side of Prairie Winds Drive north of Prairie Winds Middle school. This project has all of the utilities and gravel base installed. Curb and gutter and pavement will be constructed in the spring of 2019. Construction on new apartment construction continues on the north end of the project along the creek.

Miller Estate

Miller Estate is a private development located in the southeast quadrant of TH 22 and CSAH 26 (227 Street). A majority of the utilities are installed on this project. Work wrapped up in mid-December for the season. The remaining items which included aggregate base, curb and gutter, pavement, and turf establishment will be completed in the spring of 2019.

2018 Resurfacing

All concrete and paving work has been completed on this project. Portions of Bassett Drive will get the final sod work performed in the spring of 2019 due to the unseasonably early cold weather that was experienced in October and November. The areas were stabilized with hydro seeding to prevent erosion and maintain compliance with construction stormwater rules. The castings on Adams Street will be adjusted in the spring. The manhole castings on Adams Street were cast integral to the concrete pavement. The castings were left in place to preserve the structural integrity of the concrete surrounding them. However, due to the grading of the

concrete street the castings were left in place were lower than acceptable tolerance. Custom riser rings or other type of adjustment are needed for the casting, but the manufacture time would have delayed paving significantly. In order to complete the project in a timely fashion and open the road to traffic the castings were left low and will be addressed in the spring of 2019.

2018 Alleys

Seven alleys were completed with this year's project. All work is complete.

Barnes Creek

This project will install in channel weirs to reduce water velocity and erosion along the homes on Bartholomew Lane. Staff has been working with property owners to site the improvements at locations that are preferred by the neighborhood while still providing adequate performance. This project is anticipated to begin construction in late January or early February. Construction of this type of project is best done when the waterway is no longer active and a small amount of frost has penetrated the creek bed. The current weather pattern has not be conducive to this condition.

Wilson Creek

All tree removal and brush cleanup is complete. Seeding will be completed in the spring of 2019

Parks Projects

- *Natural Resource Park* - The new trail has been graded, and wood chipped. Temporary stabilization was performed. Staff will be working with the SWCD in the spring to seed the affected areas with appropriate wetland and pollinator mixes.
- *Franklin Rogers Field* - The ticket booths are currently on back order, but are expected to arrive in time for the 2019 season. The pitcher's mound improvements have been designed and materials ordered. The installation will take place in the spring of 2019
- *Country Club Park* - The pre-assembled bathrooms are back ordered. They are anticipated to arrive in the spring of 2019 for installation. The utility work in this area has been complete.
- *Stoltzamn Park* - The equipment has been installed. Work to be completed in the spring of 2019 includes the landscaping rock and fence, the park shelter. The parking lot is scheduled for improvement in 2019 as well.

Public Works Center Master Plan

The master plan has been completed and is being reviewed by staff. It will be presented to the Council at a future work session.

Airport Terminal Remodel

Public works personnel has had initial meetings with MSU-Mankato and North Star Aviation to discuss scope of project. With the determination of a scope staff will work with a local architect to develop budgetary cost estimates and schedules. No work is anticipated to take place until after the Minnesota Air Spectacular.

TH 169 Levee

All work is complete and the final necessary information has been provided to FEAM for analysis. Upon the completing of the FEMA analysis the certification of the North Mankato levee will be complete.

Adams Street Phase 2

All utility work is complete, field tiles have been repaired and the topsoil has been rough graded. Work remaining for the spring of 2019 includes permeant pavement restoration of CSAH 17 and final grading of the farm field.

Airport Lift station

All work has been completed and the project is in final close out.

8. Appointments, Promotions, and Vacancies

Appointments:

- Ryan Cochran, Civic Center Operations Specialist
- Sara Haglund, Records Clerk

Resignations:

Jake Green, Police Officer

Jason Westphal, Wastewater Treatment Plant Operator

Tom Fournier, Facilities Project Coordinator (June)

Mark Winson, Public Utilities Director (February)

Vacancies:

- Accountant 1-Accounts Payable
- Associate Civil Engineer (2)
- Economic Development Specialist
- Engineering Facilities Technician
- Environmental Sustainability Coordinator
- Facilities Project Coordinator
- Firefighter – FT and PT
- Police Officer – FT
- Wastewater Treatment Plant Operator
- Water Plant Operator

In order to adjust for the unexpected vacancy of the Director of Human Resources position (City and Blue Earth County) resulting from Krista Amos' untimely passing, and the impending retirement of Mark Winson, Director of Public Utilities, several reorganizations and staffing transitions will occur in January and February 2019.

Human Resources

Laura Elvebak, Deputy HR Director will continue to focus primarily on service to Blue Earth County, as was anticipated in the partnership. Tricia Bleck and Sheila Huber will jointly provide program coordination for the entire Human Resources function, reporting to the Deputy City Manager. Tricia will serve as the Organizational Development and Talent Management Coordinator (people), and Sheila Hubert will serve as the total Compensation/Labor Relations Coordinator (pay/benefits). Because of the strong HR team nurtured by Krista Amos, we do not anticipate filling the Director of HR vacancy, which provides flexibility for other ongoing organizational change. The city HR team will continue to support our evolving partnership with Blue Earth County.

Public Utilities

Mark Winson's last day with the city will be February 8, 2019. In anticipation of his retirement, the operations of Utilities (water and wastewater treatment facilities) will transition to oversight by Public Works, the utility billing and customer/customer community support service will transition to Parker Skophammer. The Director of Public Utilities position will not be filled. Both of these organizational changes are feasible to the ongoing development of employees and commitment to succession planning that provides flexibility as personnel and staffing continue to change.

9. Upcoming Council Meeting and Events

January 28 – Regular City Council Meeting (with Work Session to follow)

Coalition of Greater Minnesota Cities Legislative Action Day – January 30, 2019

National League of Cities Congressional Conference – March 10-13, 2019